

SEABOARD GROUP II AND CITY OF HIGH POINT

Remedial Action Construction Progress Report

July 13, 2016

Mr. Joe Ghiold, Project Manager
North Carolina Department of Environmental Quality
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646

Re: Quarterly Remedial Action Construction Progress Report, 2nd Quarter 2016,
Seaboard Chemical Corp. and City of High Point Riverdale Drive Landfill Site,
Jamestown, North Carolina

Dear Mr. Ghiold:

Seaboard Group II and the City of High Point, NC (Parties) provide this 2nd Quarter 2016 Remedial Action Construction Progress Report for the former Seaboard Chemical Corporation facility (SCC) and closed Riverdale Drive Landfill (Landfill) located in Jamestown, NC (collectively the Site).

Background Information

The Remedial Action Pre-Construction Report for the physical treatment systems was submitted to North Carolina Department of Environmental Quality (NCDEQ)¹ on December 28, 2009. The report was subsequently approved by NCDEQ on March 22, 2010. Although the Natural Treatment Systems Remedial Action Pre-Construction Report has not been formally approved by NCDEQ, it was submitted on October 25, 2010 and the Parties have included any appropriate comments on activities associated with those processes as well. Collectively these reports are referred to herein as the Pre-Construction Report. Construction of the remedial system described in the Pre-Construction Report began at the Site in April, 2010. Previous Progress Reports have updated NCDEQ on Site activities from that time through the 1st quarter of 2016.

During the summer of 2015, the Parties determined from operating experience that the system, as it was then configured, would not achieve the objective of efficient long term operation without excessive need for maintenance and shutdowns. This was due to the greater than expected amount of solids that precipitated out of the groundwater and leachate fouling piping and equipment throughout the system. In spite of repeated efforts to prevent these precipitation problems, the system could not handle the amount of sludge generated. This overloaded the sludge handling capabilities of the existing equipment and

¹ NCDEQ is used in this report to refer to the North Carolina Department of Environment Quality, and collectively the associated Division of Waste Management, Solid Waste Section, Hazardous Waste Section, and the Inactive Hazardous Sites Branch, all of which are involved in the regulatory oversight of this remedial action.

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allowed sludge to deposit on pipes, pumps and equipment throughout the system including the pumps, valves, and irrigation lines in the phytoremediation system.

As a result, the Parties retained the services of Hazen and Sawyer (HS) to conduct a study to determine the best approach to sludge separation and handling, and recommend any additional modifications to the system that were needed. HS conducted extensive on site testing during the 3rd quarter of 2015. This resulted in the HS report submitted to NCDEQ in prior correspondence (see 3rd quarter 2015 Progress Report), which recommended that a clarifier and sludge handling equipment be installed ahead of the existing Filter Building. During the 3rd quarter of 2015, the Parties approved an initial budget to prepare a request for proposal (RFP) and an engineering design for the installation of a clarifier system as recommended in the HS report. On October 1, 2015, the Parties approved the budget to install the recommended equipment, and a RFP for the entire scope of work was sent to prospective bidders. During early December 2015, the Parties reviewed the proposals submitted by the contractors that replied to the RFP and approved the final budget to install the proposed revisions. A contractor was engaged in late December to begin construction activities on January 4, 2016. This modification affected the system operation which was shut down at the end of December to begin site construction preparation activities which required that the main system feed line be disconnected. As reported in the 1st quarter 2015 Progress Report, actual construction began on January 4, 2016 and progressed slightly behind schedule due to weather delays.

Remedial Construction Work Performed since the Last Progress Report

During the 2nd quarter of 2016, the remaining major construction activities at the site were completed. At the end of the 1st quarter the contractor had completed the Site rough filling and grading work, the LS-1 flow modifications, the chemical feed tank containment wall installation and the concrete for the clarifier floor.

Several periods of adverse weather resulted in delays during the 1st quarter causing the construction progress to fall approximately 2-weeks behind schedule. The original construction completion date was scheduled to be April 30, 2016, but delays due to weather and other factors extended the completion to mid-May 2016.

At that time, the Parties began control loop checks before wetting the modified system with city water for the first time late in May 2016. This allowed the Parties to perform logic tests and confirm the alarms and interlocks during early June. After several SCADA coding refinements, logic modifications and other necessary items were addressed, groundwater was started into the system on June 27, 2016.

Remedial Construction Work Remaining

There are several remaining punch list items to be addressed, but none that are anticipated to require any long term system shutdowns. However, at the time of preparation of this report, significant damage occurred to the control system (SCADA) as a result of an apparent lightning strike to a pole above one of the monitoring well used to support a level transducer. This required replacement of some profibus components, including one profibus to fiber optic converter, several input/output cards and other components. This

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strike appears to have happened on the 24-volt system in an area that was not surge protected. At the time of writing this report, the system had not fully been restored to service. However, the Party's contractors have located, ordered and are awaiting expedited delivery of all necessary replacement parts. As soon as they are delivered to the Site, they will be installed, and the system will be restarted. This will be further addressed in the Third Quarter Report.

Activities Planned During the 3rd Quarter 2015

The Parties plan to continue to test and operate the system and install any refinements needed to facilitate 24-hour a day 7-day a week operation as soon as possible. This will include completing the remote monitoring system installed at the City's Eastside Wastewater Treatment Plant control room which will allow 24-hour monitoring of the SCADA and video cameras. In addition, the Parties will ensure the contractors complete the final items included in the clarifier scope of work, such as lighting and final grading.

Summary

The remedial system startup has fallen behind schedule based upon the original Scope of Work included in *Remedial Action Settlement Agreement* (RASA), primarily due to the failure of a manufacturer to deliver a complete and operational physical treatment system. However, significant progress has been made at this time, and the items required for the restart after modification are complete. The Parties expect to resume operational testing of the system in the 3rd quarter.

Please contact Mr. Gary D. Babb, P.G. (919-325-0696) or James C. LaRue (210-263-7580) if there are any questions or comments. Please direct correspondence related to this matter to:

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Communications via electronic mail should be directed to gbabb@nc.rr.com and jlalrue@swenv.com.

Respectfully,

Seaboard Group II and City of High Point



James C. LaRue
Seaboard Group II



Gary D. Babb, P.G.
City of High Point

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Attachment - Project Schedule

cc Dave Nutt, Esq. - Seaboard Trustee
Steve Anastos - Seaboard Trustee
Jeffrey Moore - City of High Point Trustee
Randy Smith - Financial Trustee
Terry Hauk - City of High Point
Amos Dawson, Seaboard Group II Counsel
John Burns, Seaboard Arbitration Counsel
Jackie Drummond - NCDENR Division of Solid Waste

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PROJECT SCHEDULE

2016

January - May	Complete a portion of the scope of work for the clarifier modifications.
May - June	Complete the major construction activities and restart the system.
July - December	Complete punch list items, complete system restart and continue testing and operating the system.